

## COMPACT GOAL

The five-year, \$698 million compact will stimulate economic growth, increase household incomes, and raise the quality of life in program areas through targeted infrastructure investments in transportation, energy and water.

## COMPACT AT A GLANCE

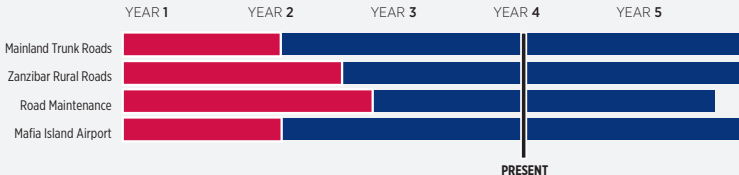
Compact Signed	02-17-2008
Entry Into Force	09-17-2008
Compact End Date	09-17-2013
Compact Total	\$698,136,000
Amount Committed	\$621,041,630
Amount Expended	\$271,638,435
Estimated Program Beneficiaries	5,425,013
Estimated Increase in Household Income	\$1,336,000,000

## % OF TOTAL COMPACT BUDGET (USD MILLIONS)

53%	Transport Sector Project	\$368.8
30%	Energy Sector Project	\$206.0
9%	Water Sector Project	\$65.6
7%	Program Administration And Control	\$46.0
1%	Monitoring And Evaluation	\$9.4



■ Project Preparation ■ Project Implementation

Transport Sector Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>
	\$368,847,429	\$361,067,832	\$148,441,749
<p>Increase cash crop revenue and tourism by paving and upgrading of more than 430 kilometers of trunk roads on the mainland; upgrading Mafia Island Airport; paving and upgrading 35 kilometers of rural roads on Pemba Island; and providing support to enhance Tanzania's capacity to maintain its road network and improve road safety.</p>			
<p><b>Projected Long-Term Results</b> (Up to 20 years)</p>			
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME		
<b>1,624,552</b>	<b>\$427,000,000</b>		
20-year projected benefits are based on the best, currently available, information and may be updated if new, more reliable, data are available.			
	PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE	PROJECT ACHIEVEMENTS
	<p>Pave and improve 430 kilometers of high-traffic roads on Tanzania's mainland; pave and improve 35 kilometers of rural roads on Pemba Island; and pave 1.4 kilometers of airport runway with associated site improvements for the Mafia Island Airport.</p>	<p>Construction contracts for all six Mainland Trunk Road Activity segments (over 430 kilometers) have been signed and construction is underway. Pemba rural roads contractor on site and the construction contract for Mafia Island Airport Activity is expected to be signed in November 2011. The construction of Mafia Island Airport will be the last major works procurement under the Tanzania Compact.</p>	<p>In collaboration with MCC and other donors, the Government of Tanzania established a new National Road Safety Policy, approved by the cabinet in 2009. The policy will create a Road Safety Board with autonomy and funding. Road maintenance expenditures are on track.</p>

Energy Sector Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES¹
	\$206,042,428	\$179,552,257	\$81,532,230
<p>Increase economic activity by improving electricity availability and quality through manufacturing and installation of a new 100 megawatt submarine electric transmission cable from mainland Tanzania to Zanzibar; MCC is also rehabilitating approximately 3,000 kilometers of transmission and distribution lines in six regions.</p>	<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div> <div><div>Zanzibar Interconnector</div><div>Malagarasi Hydropower &amp; Kigoma Distribution</div><div>Distribution Systems Rehab &amp; Extension</div></div> <div><div>PRESENT</div></div>		
<p><b>Projected Long-Term Results</b> (Up to 20 years)</p>	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>Increase in the quantity of electricity sold and number of connected customers by the end of the project in six regions on the mainland and in Zanzibar; and a 15 percent reduction in the frequency and duration of power outages.</p>		
<p><b>ESTIMATED BENEFICIARIES</b></p> <p><b>1,564,499</b></p>	<p><b>PROGRESS TO DATE</b></p> <p>All construction contracts for Zanzibar interconnector, overhead lines, distribution network extension, and substations underway. Works on the mainland electric lines began in May 2011. Feasibility study for a hydropower plant at a new location on Malagarasi River is nearly complete, works on the rehabilitation/expansion of distribution network are soon to commence (contractor mobilizing), and invitation to bid for a solar PV has been released.</p>		
<p><b>ESTIMATED INCREASE IN HOUSEHOLD INCOME</b></p> <p><b>\$934,000,000</b></p> <p>20-year projected benefits are based on the best, currently available, information and may be updated if new, more reliable, data are available.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>The Government passed a new Electricity Act to update 75-year old legislation, fulfilling a compact requirement. Its new provisions have created an environment more conducive for private sector participation and investment.</p>		
Water Sector Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES¹
	\$65,692,144	\$56,541,992	\$20,489,426
<p>Increase human and physical capital and reduce the prevalence of water-related diseases by expanding the capacity of the Lower Ruvu water treatment plant from 180 to 270 million liters per day; rehabilitating water intake and water treatment plants, and improving the existing distribution network in the city of Morogoro.</p>	<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div> <div><div>Lower Ruvu Plant Expansion</div><div>Non-Revenue Water</div><div>Morogoro Water Supply</div></div> <div><div>PRESENT</div></div>		
<p><b>Projected Long-Term Results</b> (Up to 20 years)</p>	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>Increase the number of household and commercial water connections; increase the water supply by 90 million liters per day in Dar es Salaam and; increase the water supply by 15 million liters per day in Morogoro.</p>		
<p><b>ESTIMATED BENEFICIARIES</b></p> <p><b>2,801,856</b></p>	<p><b>PROGRESS TO DATE</b></p> <p>Construction contracts for the expansion of the Lower Ruvu Water Treatment Plant and rehabilitation/expansion of Morogoro water supply system were signed in late 2010-early 2011. Construction is underway.</p>		
<p><b>ESTIMATED INCREASE IN HOUSEHOLD INCOME</b></p> <p><b>\$113,000,000</b></p> <p>20-year projected benefits are based on the best, currently available, information and may be updated if new, more reliable, data are available.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>Tariff evaluation/implementation effort making progress for affected Tanzanian utilities. This year Morogoro Urban Water and Sewerage Authority received approval and implemented a 3-year tariff realignment increasing revenue to better meet operational costs and planned capital investments. This garnered wide community support. The Dar es Salaam Water and Sewerage Authority is working with its regulator to achieve a similar approval.</p>		

The cancellation of the Malagarasi Hydropower activity due to environmental concerns, resulted in the following alternative activities: 1) conducting a feasibility study of a 41MW hydropower plant (final reports now under review); 2) rehabilitating sections of the Kigoma T&D network (contract awarded); and 3) instituting a solar PV program for public, business and household sectors in Kigoma and Kasulu (IFB released on November 7th, closes on January 10th).

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.